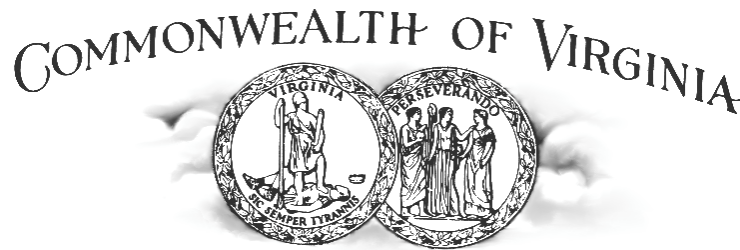


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**STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

August 19, 2002

**TO: ALL PROPERTY AND CASUALTY INSURERS WRITING COMMERCIAL
AUTOMOBILE INSURANCE POLICIES IN VIRGINIA**

**RE: APPROVAL OF ISO SIMPLIFIED COMMERCIAL AUTO PROGRAM
EFFECTIVE FEBRUARY 1, 2003**

**ADOPTION OF SIMPLIFIED COMMERCIAL AUTO FORMS AS VIRGINIA
STANDARD FORMS EFFECTIVE FEBRUARY 1, 2004**

The Virginia State Corporation Commission Bureau of Insurance ("the Bureau") has approved the Simplified Commercial Auto Program filed by Insurance Services Office, Inc. ("ISO") on behalf of its member companies (reference filings CA-2002-OEND1, forms, CA-2002-ORU1, rules, and CA-2002-RLC1, loss costs) for use with policies effective on or after February 1, 2003.

For all policies effective on or after February 1, 2004, Administrative Order 11540 adopts the simplified commercial auto forms included in ISO reference filing CA-2002-OEND1 as the Virginia standard forms for commercial automobile insurance. Once adopted, the new standard forms must be used by all insurers. Administrative Order 11540 also withdraws the current Virginia standard forms for commercial auto insurance. The withdrawn forms may not be used for policies with effective dates on or after February 1, 2004.

The Bureau is very pleased to be able to make these updated forms available to Virginia insurers and policyholders. In order to accommodate insurers wishing to implement the Simplified Program as soon as possible, we have elected to approve the ISO filings with a 2003 effective date. The adoption of the simplified forms as Virginia standard forms has been delayed until 2004 to accommodate insurers needing additional time to implement the change.

Insurers that have authorized ISO to file commercial automobile forms and rules on their behalf must use the Simplified Program for policies effective on and after February 1, 2003, unless they notify the Bureau of their intent to delay adoption of reference filings CA-2002-OEND1 and CA-2002-ORU1 prior to that date. These filings may be delayed to any date not later than February 1, 2004, when the simplified forms become the Virginia standard forms. The corresponding commercial auto loss costs filing (CA-2002-RLC1) must be adopted for the same effective date.

Insurers that have not authorized ISO to file commercial automobile forms and rules on their behalf must use the new standard auto forms for all commercial auto policies with effective dates on or after February 1, 2004, as required by Administrative Order 11540. Such insurers must also review the rules and rates they have filed independently and update them to ensure they are compatible with the new standard forms. Any necessary amendments must be received by the Bureau not later than February 1, 2004.

Further, all insurers with independent endorsements on file for use with the current Virginia commercial auto standard forms will need to review the endorsements for compatibility with the new standard forms. Any necessary revisions must be submitted to the Bureau for approval at least 30 days prior to their effective date in accordance with § 38.2-317 of the Code of Virginia. Insurers should also review their currently filed exceptions to ISO rules and file amended versions where necessary for compatibility with the Simplified Commercial Auto (Division One) manual.

Any insurers with independent commercial auto policy forms currently approved pursuant to § 38.2-2224 of the Code will need to compare these forms to the new standard forms and demonstrate to the Bureau, in writing, that the independent versions are in no respect less favorable to the insured than the new standard forms. If the independent forms are found to be in any respect less favorable to the insured than the new standard forms, amendments to remedy the less favorable provisions must be submitted to the Bureau for approval not later than January 2, 2004.

To avoid delays in processing renewal policies, the Bureau recommends that any necessary amendments and revisions to currently approved independent forms and endorsements be submitted well in advance of the January 2, 2004, deadline.

A copy of Administrative Order 11540, which includes lists of the standard forms being adopted and withdrawn, can be obtained from the Bureau's web site at <http://www.state.va.us/scc/division/boi/> or by contacting the Commercial Casualty Rates and Forms Section at (804) 371-9298.

Sincerely,

A handwritten signature in black ink, reading "Mary M. Bannister". The signature is written in a cursive, flowing style with a large initial "M".

Mary M. Bannister
Deputy Commissioner of Insurance
Property and Casualty Division